(CRADA) entered into under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a).''

The change virtually eliminates the practical rights of the public to raise objections to the use of an exclusive license or to even question the terms of the license (including the scope of the exclusivity).

3. THE INCREASED SECRECY ON LICENSES UNDERMINES THE PUBLIC'S RIGHTS AND REDUCES ACCOUNTABILITY

There are a number of current cases where the public is seeking information about government licenses, including such items as the royalties or other considerations paid for the license, the revenues from the invention, information about the availability of the invention to the public, or justification for prices charged consumers.

H.R. 209 modifies existing statutory language to require that such information be secret from the public. Language in 35 U.S.C. section 209 that says that information ''may be treated by a federal agency as . . . privileged and confidential and not subject to disclosure under'' the freedom of information act, is changed to say that such information ''shall be treated as privileged and confidential. . . .'' NIH licensing officials claim the change from ''may'' to ''shall'' will make a much broader amount of information secret, including even basic information such as the amount of money received by the government as payment for use of a patent. Indeed, in section 10 of H.R. 209, federal agencies are not even permitted to report statistical information on royalties received for licenses, if ''such information would reveal the amount of royalty income associated with an individual license or licensee.''

This is truly adding insult to injury. Not only will the public be denied a practical opportunity to stop an agency from giving an exclusive license on a government owned patent or to effectively challenge the terms of the patent—taxpayers will not even be permitted to know what the terms are!

4. PROBLEMS IN LICENSING OF FEDERALLY FUNDED INVENTIONS.

There are currently significant disputes regarding the use of exclusive licenses for a wide range of government funded inventions, including inventions in the areas of software, computing equipment, biotechnology and medicines.

Regarding the areas of licensing of government funded medical inventions. The existence of public notice permits consumers or potential competitors to object to the use or scope of exclusive licensing. For example, when Bristol-Myers (Squibb) sought an extension of its exclusive license to cis-platin, a cancer drug developed at taxpayer expense, Adria Laboratories, Stuart Pharmaceuticals, American Cyanamide, Elkins-Sinn and Andrulis Research objected to the proposed extension, arguing that the public interest would be served by non-exclusive licensing. Andrulis suggested non-exclusive licensing be coupled with higher royalties to fund cancer research. As a result of the public comments, Bristol-Myers offered to lower the price of cis-platin by 30 percent and fund $35 million in extramural cancer research, in return for the extension of the license.

More recently there has been considerable controversy over Bristol-Myers Squibb's licensing of government data and patents relating to the cancer drug Taxol and the HIV drug ddI, as well as Bristol-Myers policies regarding pricing of d4T, another government funded HIV drug. Also, public health groups who are interested in malaria are concerned about efforts by SmithKline Beecham to obtain exclusive rights to new malaria drugs invented by the US Army and Navy. In many of these controversies, public health groups are seeking to obtain basic economic information, such as the royalty rates paid on the licenses, the amount of sales of the products, or the amount of money the company will spend on subsequent development of the government invention. These are not trivial disputes. Bristol-Myers Squibb claimed to have spent $114 million to develop Taxol, but subsequent data placed the BMS contributions at less than $10 million prior to FDA approval of the drug. The decision by the NIH to grant BMS exclusive rights to two ''treatment regime'' patents on doses of Taxol extended the Taxol monopoly at least 30 months, costing consumers and taxpayers $1.27 billion, according to one study (Richard P. Rozek, Costs to the U.S. Health Care System of Extending Marketing Exclusivity for Taxol, N.E.R.A., Washington, DC, March 1997).

The current controversy with ddI, a US government patented AIDS drug, illustrates some of these problems. The Bush Administration granted Bristol-Myers 10 years of exclusivity on ddI, beginning 1989. Patient groups are trying to determine when or if Bristol-Myers will seek to extend the exclusivity on the patent. The pricing of ddI is considered highly suspect by AIDS patients. Patient advocates would like to find out when such a patent extension is proposed, and to insist on public disclosures of revenues and development costs, to determine if the exclusivity should be continued. Like all AIDS drugs, ddI is expensive, both for consumers and for taxpayers who fund care for many AIDS patients. Competition is expected to lead to significant decreases in prices. Under HR 209, the extension of the patent exclusivity could easily be done before patients could even find out about the proposed extension. Indeed, this may have already happened, due to the difficulty in monitoring such license extensions, and the unwillingness of the NIH to make it easier to monitor these issues or even answer questions about the licenses. But by reducing the notice requirements to 15 days, the public will have no rights.

In some cases, NIH funded inventions are priced at more than $100,000 per year. It won't be long before we see prices higher than $1 million per year per patient for some drugs. How can the US government justify issuing exclusive licenses for life and death therapies, without giving the public the right to speak, or to even find out what the terms of the license are? And why do policy makers permit drug companies to make ludicrous and clearly false public statements regarding the costs of bringing US government pharmaceutical inventions to market, and then make all data on the real costs a state secret?

If the purpose of HR 209 or S. 804 is to make it easier to get exclusive rights on government property, the legislation succeeds. If the purpose is to protect the public's rights in taxpayer property, the legislation fails. We think the second issue is the one that needs greater attention by our elected members of Congress.

HONORING THE STUDENTS OF LAKESHORE ELEMENTARY SCHOOL

HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1999

Mr. KIND. Mr. Speaker, I rise today to pay tribute to the students of Lakeshore Elementary School in Eau Claire, Wisconsin. I want to recognize their true concern and compassion for the innocent children in Kosovo.

The story of Sadako and the Thousand Paper Cranes, by Eleanor Coerr, is a story of strength and courage of one young child diagnosed with leukemia after being exposed to radiation from the atomic bomb dropped on Hiroshima, Japan on August 6, 1945. Sadako tried to make 1,000 paper cranes, which according to legend, would bring her long life. The students of Lakeshore Elementary School gathered together on May 10, 1999, after watching a movie about Sadako and successfully made 1,000 paper cranes in honor of the children in Kosovo. Through their dedication in making these 1,000 paper cranes, the students in my district have become active participants in the international community. They have become messengers of peace and have shown the importance of supporting the children of Kosovo during this time of difficulty.

I hope to visit the Balkan region in the near future and personally deliver some of these special paper cranes and inform some of the children of Kosovo that there are children in the United States who are concerned about their fate. On behalf of the students of Lakeshore Elementary School, I will be able to offer the children of Kosovo these paper cranes as symbols of courage and long life. I salute the Lakeshore Elementary School students, faculty and staff including Dr. Mary Seitz, and Lucianne Boardman for inspiring peace and understanding throughout the world.

TRIBUTE TO KARL F. BAUMANN

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 18, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize Mr. Karl F. Baumann for his outstanding dedication to the growth of Mariposa County. Karl was a ''strong and commanding'' man who had a vision to develop the barren acres of Cathey's Valley into a town successful in both business and community.

Karl ventured into Cathey's Valley from Southern California 16 years ago when he purchased an 800-acre ranch. It was then that Karl had a vision to develop this ranch into something more. To fulfill his vision of a sound and safe community, Karl subdivided his ranch and built The Whispering Oaks Estates, currently home to many Mariposans. The next project that Karl embarked upon led to the creation of the Cathey's Valley business park. Since then, the business park has contributed greatly to the economy of Cathey's Valley and Mariposa County.

Karl's leadership was also noted by his membership in the #98 Masonic Lodge in Hornitos, the Mariposa County Board of Realtors, and as owner of the Cathey's Valley Realty and Development. Karl has been credited for the amazing growth of Cathey's Valley by many of his colleagues and friends.

Mr. Speaker, it is with great honor that I rise today to recognize Mr. Karl F. Baumann for his leadership and strength in paving the way for a successful community to grow and flourish. His contribution to the San Joaquin Valley is incomparable. I urge my colleagues to join